

MT LEGISLATIVE HISTORY

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Chapter _____ 1987

Bill H 621 S _____

Original bill & hist. ____C

H. Committee on Appropriations

S. Committee on Finance & Claims

Hearing Date(s) ~~3-7~~ ____C

Hearing Date(s) 3-30 ____C

3-7 ____C

3-31 ____C

____C

4-2 ____C

____C

____C

Date Out _____C

____C

mt 4-2

Did this bill originate in an interim committee? ____Yes ____No

Committee _____

Report _____

"Approved April 24, 1987"

HOUSE FINAL STATUS

2/11 TABLED IN COMMITTEE

HB 619 INTRODUCED BY GIACOMETTO, ET AL.
ALLOW SCHOOL TRUSTEES GREATER DISCRETION IN WHERE
DISTRICT MONEY IS INVESTED

2/05 INTRODUCED
2/05 REFERRED TO EDUCATION & CULTURAL RESOURCES
2/18 HEARING
2/20 COMMITTEE REPORT--BILL PASSED
2/23 2ND READING PASSED 88 8
2/24 3RD READING PASSED 94 5

TRANSMITTED TO SENATE
3/02 REFERRED TO EDUCATION & CULTURAL RESOURCES
3/23 HEARING
3/24 COMMITTEE REPORT--BILL CONCURRED
3/28 2ND READING CONCURRED 50 0
3/30 3RD READING CONCURRED 50 0

RETURNED TO HOUSE
4/03 SIGNED BY SPEAKER
4/04 SIGNED BY PRESIDENT

4/04 TRANSMITTED TO GOVERNOR
4/09 SIGNED BY GOVERNOR
CHAPTER NUMBER 428 EFFECTIVE DATE: 10/01/87

HB 620 INTRODUCED BY GIACOMETTO
PROVISION FOR HEARING IN CASE OF WEED CONTROL DISPUTE

2/05 INTRODUCED
2/05 REFERRED TO AGRICULTURE, LIVESTOCK &
IRRIGATION
2/13 HEARING
2/13 COMMITTEE REPORT--BILL PASSED
2/16 2ND READING PASSED 88 5
2/17 3RD READING PASSED 86 8

TRANSMITTED TO SENATE
2/19 REFERRED TO AGRICULTURE, LIVESTOCK &
IRRIGATION
3/04 HEARING
3/05 COMMITTEE REPORT--BILL CONCURRED
3/09 2ND READING CONCURRED 50 0
3/11 3RD READING CONCURRED 50 0

RETURNED TO HOUSE
3/14 SIGNED BY SPEAKER
3/14 SIGNED BY PRESIDENT

3/16 TRANSMITTED TO GOVERNOR
3/19 SIGNED BY GOVERNOR
CHAPTER NUMBER 141 EFFECTIVE DATE: 10/01/87

HB 621 INTRODUCED BY QUILICI, ET AL.
ALLOCATE FEDERAL OIL OVERCHARGE MONEY

2/05 INTRODUCED
2/05 REFERRED TO APPROPRIATIONS
2/09 HEARING
3/07 HEARING
3/10 COMMITTEE REPORT--BILL PASSED AS AMENDED
3/13 2ND READING PASSED AS AMENDED 90 6

HOUSE FINAL STATUS

3/16	3RD READING PASSED	89	4
	TRANSMITTED TO SENATE		
3/17	REFERRED TO FINANCE & CLAIMS		
3/30	HEARING		
4/03	COMMITTEE REPORT--BILL CONCURRED AS AMENDED		
4/06	2ND READING CONCURRED	50	0
4/07	3RD READING CONCURRED	47	3
	RETURNED TO HOUSE WITH AMENDMENTS		
4/10	2ND READING AMENDMENTS CONCURRED	80	7
4/11	3RD READING AMENDMENTS CONCURRED	83	8
4/16	SIGNED BY SPEAKER		
4/20	SIGNED BY PRESIDENT		
4/20	TRANSMITTED TO GOVERNOR		
4/24	SIGNED BY GOVERNOR		

HB 622 INTRODUCED BY BRANDEWIE GENERALLY REVISE FINANCIAL REGULATION OF INSURANCE COMPANIES BY REQUEST OF STATE AUDITOR

2/05	INTRODUCED		
2/05	REFERRED TO BUSINESS & LABOR		
2/12	HEARING		
2/12	COMMITTEE REPORT--BILL PASSED		
2/14	2ND READING PASSED	90	5
2/16	3RD READING PASSED	88	3
	TRANSMITTED TO SENATE		
2/17	REFERRED TO BUSINESS & INDUSTRY		
3/18	HEARING		
3/26	COMMITTEE REPORT--BILL CONCURRED AS AMENDED		
3/30	2ND READING CONCURRED	50	0
3/30	3RD READING CONCURRED	50	0
	RETURNED TO HOUSE WITH AMENDMENTS		
4/08	2ND READING AMENDMENTS CONCURRED	84	3
4/09	3RD READING AMENDMENTS CONCURRED	94	3
4/13	SIGNED BY SPEAKER		
4/13	SIGNED BY PRESIDENT		
4/14	TRANSMITTED TO GOVERNOR		
4/17	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 534 EFFECTIVE DATE: 10/01/87		

HB 623 INTRODUCED BY HARRINGTON, ET AL. PREVENT CLOSURE OR SALE OF PROFITABLE LIQUOR STORES

2/05	INTRODUCED		
2/05	REFERRED TO BUSINESS & LABOR		
2/06	FISCAL NOTE REQUESTED		
2/12	FISCAL NOTE RECEIVED		
2/16	HEARING		
2/21	TAKEN FROM COMMITTEE	51	40
2/23	2ND READING PASSED AS AMENDED	58	38
2/25	3RD READING PASSED	69	25
	TRANSMITTED TO SENATE		
3/02	REFERRED TO BUSINESS & INDUSTRY		
3/05	REREFERRED TO STATE ADMINISTRATION		
3/23	HEARING		
3/23	COMMITTEE REPORT--BILL CONCURRED		

CHAIRMAN--REP. GENE DONALDSON
NORMAL SCHEDULE==> SITE: ROOM 104

DAYS: MON THRU FRI TIME: 8:00 A.M.

SECRETARY--DENISE THOMPSON

--BILL NO--	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0581	2/19	3/04		DO PASS		
MCCORMICK, MAC REVISING MONTHLY INCOME STANDARD FOR GENERAL ASSISTANCE RECIPIENTS						
HB0593	2/16	3/21		PASS AS AMENDED		
BROWN, JAN PRIVATE ENTERPRISE ACT; ESTABLISHING A REVIEW COMMISSION						
HB0599	2/04	3/23		PASS AS AMENDED		
MERCER, JOHN APPROPRIATING \$150,000 FOR THE U OF M BIOLOGICAL STATION AT YELLOW BAY						
HB0600	2/04	2/17		DO PASS		
WINSLOW, CAL TERMINATE STATE ASSUMPTION OF COUNTY WELFARE						
HB0603	3/04	3/18		TABLED		
NATHE, DENNIS PROVIDE FOR STATE AID TO PUBLIC LIBRARIES						
HB0607	2/20	3/07		PASS AS AMENDED		
KEENAN, NANCY FUNDS FOR HIGHWAY SIGNS INVENTORY AND COMPREHENSIVE PLAN						
HB0611	2/05	3/06		PASS AS AMENDED		
BROWN, DAVE ALLOCATE REIMBURSEMENTS FOR INDIRECT COSTS TO UNIVERSITY						
HB0621	2/05	3/07		PASS AS AMENDED		
QUILICI, JOE ALLOCATE FEDERAL OIL OVERCHARGE MONEY						
HB0627	2/18	2/21				
STRIZICH, BILL CREATE TWO YOUTH EVALUATION PROGRAMS						
HB0635	2/06	2/19		DO PASS		
SIMON, BRUCE ALLOW SRS TO MAINTAIN POSITIVE CASH BALANCE BY BORROWING FROM GENERAL FUND						
HB0653	2/07	3/07		TABLED		
ADDY, KELLY APPROPRIATION FOR LOW-INCOME ENERGY ASSISTANCE						

Rep. Bradley moved HB 694 DO PASS. Rep. Quilici opposed the motion saying the commissioners office could handle this function with the data that is coming out of the industry right now if they would take the time. Rep. Miller also spoke against the motion. Rep. Quilici called the question. There was a roll call vote. Reps. Bradley, Connelly, Iverson, Menahan, Spaeth, and Switzer voted YES. Reps. Donaldson, Thoft, Devlin, Menke, Miller, Quilici, and Swift voted NO. The motion FAILED 6 to 7.

Rep. Spaeth made a substitute motion to DO NOT PASS HB 694; then withdrew his motion. Rep. Devlin moved to TABLE HB 694. Rep. Connelly voted NO. The motion carried.

LONG RANGE SUBCOMMITTEE REPORT:

HB 621: (42:B:19.06)

Rep. Thoft, chairman of the Long Range Subcommittee stated this was the oil overcharge bill and the committee recommended the bill do pass as amended. The amendments were presented to the committee (Exhibit 3). He explained how the oil overcharge monies came about. Rep. Quilici said the bill allocates funds to various agencies within the states under the guidelines set down by the U.S. Department of Energy, by the courts, and by Congress. He referred to page two of the exhibit and reviewed it with the committee.

SRS Reserve Acct - The proposal as amended puts \$1.550 million out of Exxon monies and \$950 thousand in stripper well monies into the SRS reserve account. This reserve account is set up by SRS to fund the LIEAP program, and the weatherization programs. The original act called for \$5.7 million into this reserve to be allocated at the discretion of the SRS. The committee saw fit to amend it to put \$3.2 million into low income home weatherization, they have also set some guidelines as to how you would spend these particular funds. Rep. Thoft stated he had one concern, in the event the federal government does not properly fund the LIEAP program, he hoped there may be enough money in there to see that program is properly funded.

They also agreed to put \$2.1 million into a Transloading Facility with this money going to the Department of Commerce. This will fall under the federal guidelines because by utilizing this facility you will save energy costs, and fuel costs in transportation. Transportation is one of the

reasons that we are having such a tough time selling our commodities outside the state.

There are grants to conservation districts for Agricultural Energy Conservation (DNRC) of \$500 thousand.

Retrofit of State Buildings (DNRC) - These are on a payback. By retrofitting certain state buildings you can save energy costs and after you see a substantial savings in energy costs, the subcommittees will go back and reevaluate there utility costs to these retrofits; \$2 million is involved.

Institutional Conservation Programs - \$1 million under DNRC

Technical Assistance to Local Governments of \$235 thousand to help them comply and formulate grants for retrofits and conservation programs within counties and local governments.

Low-Pressure Sodium Vapor Light (Hwys)- for \$124 thousand of Amoco money and \$87 thousand of stripper monies are for lights only in eastern Montana. BPA supplied funds to place these lights along the highways in the western part of the state. They do save a lot of energy.

(42:B:30.00) State Energy conservation program for Small Energy Consumers for \$305,439 and \$338,000.

Weed Control for \$139,042 for petroleum based weed control measures.

There is also \$234,916 for administration costs. These total \$12,763,397 of oil overcharge funds. The funds have to be within a certain category or the money will just revert back to the federal government.

Mr. Dave Hunter, Budget Director, OBPP stated that there are some amendments to the bill, the executive has no problem with the amendments. There are two important points to remember. They must ensure that the appropriations that are made to meet the federal criteria so they can spend the money. They did specifically check out all of the projects and specifically looked at the weed control program and worked the the committee to draft the language, there are no problems with the projects and the language. Second, The Department of Energy requires that his office has a unified plan that the administration has to submit to them after this bill becomes law so to the extend that there are other bills that appropriate oil overcharge money, the subcommittee did pass Rep. Connelly's bill up to full committee without recommendation. He asked if the committee decides to make that appropriation, they should amend it into Rep. Quillici's bill rather than passing out two separate bills so they can meet that unified plan.

(42:B:33.00) Mr. Jim Smith, Montana Human Resource Development Council stated he worked with the departments involved and the administration; and with the sponsor. They support the bill as amended.

There were no opponents to the bill.

QUESTIONS:

Rep. Iverson asked for an explanation of the transloading facility. Rep. Quilici stated the facility provides for the restitution to those areas for motor fuels. It provides new jobs and helps economic development. Rep. Iverson was concerned about the proposals for the facility and if there was only one proposal. Mr. Hunter said there were at least three locations who have expressed interest in that and the RFP process giving anyone wishing to bid on it 2 months to reply.

Rep. Spaeth asked Mr. Hunter if the department has put together a request yet. Mr. Hunter said no. He said if the bill proceeds, they would proceed with drafting the proposal for requesting documents. Rep. Spaeth was concerned with the way the amendment was worded in regard to this, amendment 4 on Exhibit 3. He felt the amendment should be changed to read "and accept proposals for no less than two months following the issuance of request for proposals".

Mr. Hunter remarked the intent would be that this is a grant to a local community, they would be the owners and operators and there would be no continuing state responsibility for this facility other than the award of the grant.

(43:A:2.37) Rep. Quilici closed on the bill saying that he thinks everything in the appropriation is within the guidelines set forth by the Congress, the court and the Department of Energy and as far as the transloading facility, there are other states that have been doing exactly the same kind of thing with these Exxon overcharge monies to help with their jobs and economic development. With the amendments in there it gives every community on a railroad a chance to bid for these particular funds.

Rep. Thoft moved to APPROVE the amendments of the subcommittee. Rep. Spaeth made a substitute motion to move the amendments but on amendment number 4 that the staff change the amendment to say "and accept proposals for no less than two months following the issuance of request for proposals".

Rep. Menahan called the question. The motion CARRIED unanimously.

(43:A:6.24) Rep. Connelly moved to amend page 6 line 12. Since the amendment that just passed changed that figures from \$1,942,000 to \$1,000,000, she asked to strike "1,000,000" now in the language and insert "\$800,000" and on line 17; following \$455,000, insert: There is appropriated \$200,000 for fiscal 1988 from this federal special revenue fund to be used for grants to school districts for energy conservation in new elementary schools. (See page two of Exhibit 3.)

Rep. Thoft said that HB 663 furnishes money for a new school house in West Glacier. That was why the bill was tabled. The subcommittee on Long Range Planning felt that it was inappropriate to do that.

Rep. Connelly stated the bill does not ask for any particular area, it sets up a fund where they have to apply.

(43:A:12.21) Rep. Spaeth followed, he did not like the amendment on HB 621.

(43:A:13.08) Van Jamison, DNRC, stated, line 12 on page 6 which appropriates money to the institutional conservation programs for schools and hospitals. The answer is they can not do energy conservation in new schools under that program. The federal guidelines prohibit the use of these funds in any buildings that were constructed subsequent to April 20, 1977.

Rep. Spaeth asked then that they could not do this even if they wanted to. Mr. Jamison said you could move some money that was in the stripper pot and allocate it to one of the five programs over to Exxon and then appropriated \$200,000 from there to do this activity.

Rep. Connelly asked F. Woodside Wright if he would speak on the issue. He stated he owned a time sharing ranch and is a taxpayer in the district which is in need of a school. In its amended form, this bill is basically a good idea. It is a good idea because it does meet the concept of energy conservation, regardless of what amendments need to be made in the bill. It does promote energy conservation, and it does meet a particular need for West Glacier, which lost its school building recently. The board members have voted to build and have received bids on their building. They may be short on the amount of money they can raise and this is as one of those other areas for possible monies.

Rep. Connelly withdrew her previous amendment. Mr. Hunter stated that Rep. Connelly's wished to amend the Exhibit 3, Page 3, line 13, strike \$1,550,000 and insert \$1,750,000.

You will reduce the stripper from \$950,000 to \$750,000 in the SRS reserve account. Then take the institutional conservation program from \$1,000,000 to \$800,000 and then insert with language from 663 with stripper money. That would accomplish what she wished. Rep. Connelly moved the above amendment.

Rep. Peck called the question. There was a roll call vote. Reps. Bardanoue, Bradley, and Quilici voted YES. Reps. Donaldson, Thoft, Devlin, Iverson, Menahan, Menke, Miller, Nathe, Peck, Spaeth, Swift, and Switzer voted NO. The motion FAILED 3 to 12.

Rep. Devlin moved to amend page 4, following line 3, insert: ", and geographical proximity to raw materials."

Rep. Thoft stated this facility would probably be used more for incoming freight than outgoing freight and he didn't want to amend the bill which might damage the possibility of having it in the best location and also for income purposes.

Rep. Bradley called the question.

Rep. Bradley expressed concern that there was nothing allotted to the highways and also the airports.

(43:A:38.00) Mr. Dave Hunter stated regarding the highway area, they have a priority list from the department. The Highway Department's number one project was the lights west of the divide which the governor recommended. Regarding the airport, the only proposal they received was with regard to the West Yellowstone Airport for a \$60,000 repair job. The governor chose to recommend that money be funded in the long range building program instead. They did not receive any other proposals relative to the air transportation area.

EXECUTIVE ACTION:

(43:A:39.40) Rep. Quilici moved that HB 621 DO PASS AS AMENDED. Rep. Menahan called the question. Rep. Spaeth voted NO. The motion CARRIED.

HB 551: Rep. Thoft moved to TABLE HB 551 as it was rolled into HB 621. Rep. Menahan called the question. The motion CARRIED unanimously.

HB 653: Rep. Thoft stated this bill was for money that would have been dedicated to energy share assistance from \$125% of poverty to \$150% of poverty.

ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 3/7/87

BILL NO. House Bill

NUMBER 621

NAME	AYE	NAY
Rep. Gene Donaldson, Chairman	✓	
Rep. Bob Thoft, Vice Chairman	✓	
Rep. Cal Winslow, Vice Chairman		
Rep. Francis Bardanoue		
Rep. Dorothy Bradley	✓	
Rep. Mary Ellen Connelly		✓
Rep. Gerry Devlin	✓	
Rep. Dennis Iverson	✓	
Rep. Rex Manuel		
Rep. Red Menahan		✓
Rep. Larry Menke	✓	
Rep. Ron Miller	✓	
Rep. Dennis Nathe	✓	
Rep. Ray Peck		✓
Rep. Harold Poulsen		
Rep. Joe Quilici	✓	
Rep. Dennis Rehberg		
Rep. Gary Spaeth	✓	
Rep. Bernie Swift	✓	
Rep. Dean Switzer	✓	

TALLY CARRIED

12 3

Denise Thompson
Secretary

Rep. Gene Donaldson
Chairman

MOTION: Rep. Devlin moved to amend page 4, following line 3,

insert: ", and geographical proximately to raw materials."

Amendments to House Bill 621

1. Page 3, line 13.
Strike: "\$4,660,958"
Insert: "\$1,550,000"

2. Page 3, line 16.
Strike: "\$1,089,042"
Insert: "\$950,000"

3. Page 3, line 22.
Following: line 21
Insert: "(4) There is transferred to the Exxon weatherization account \$3,200,000 from the Exxon payment contained in the federal special revenue fund. These funds are appropriated to the department of social and rehabilitation services for use in the home weatherization program created in 90-4-201.

(5) The department of social and rehabilitation services shall encourage human resource development councils and other public or nonprofit entities that receive weatherization funds to hire individuals who are eligible for general relief under Title 53, chapter 3, to work in home weatherization projects, to the maximum extent possible.

4. Page 4, line 1.
Following: "solicit"
Strike: "proposals"
Insert: "and accept proposals for no less than two months following the passage of this act"

5. Page 5, line 13. *insertion of request for proposal*
Following: line 12
Insert: "NEW SECTION. Section 8. Biological agents for weed control. (1) The department of agriculture is authorized to expend funds for the collection and distribution of biological agents to control leafy spurge and spotted knapweed. The project will reduce energy consumption by reducing the need for repeated chemical application.

(2) The department of natural resources and conservation is authorized to administratively transfer funds to the department of agriculture for the project described in subsection (1)."

Renumber subsequent sections.

6. Page 6, line 12.
Strike: "\$1,089,042"
Insert: "\$1,000,000"

7. Page 7, line 10.
Following: line 9
Insert: "(9) There is appropriated from the stripper well payment contained in the federal special revenue fund to the department of natural resources and conservation \$139,042 for collection and

March 3, 1987

Long-Range Planning Subcommittee Action
Oil Overcharge Proposals
1989 Biennium

<u>Proposal</u>	<u>Exxon</u>	<u>Amoco</u>	<u>Stripper</u>	<u>Diamond Shamrock</u>	<u>Total</u>
* SRS Reserve Acct	1,750,000 \$1,550,000		750,000 \$950,000		\$2,500,000
Low-Income Home Weatherization (SRS)	3,200,000				3,200,000
Transloading Facility (Commerce)	2,100,000				2,100,000
Grants to Conserv Districts for Agric Energy Conservation (DNRC)	500,000				500,000
Retrofit of State Buildings (DNRC)			2,000,000		2,000,000
Institutional Conservation Pgm (DNRC)	1,000,000 500,000		200,000		1,000,000
Technical Assistance Local Govts (DNRC)	235,000				235,000
Low-Pressure Sodium Vapor Lights (Hwys)		\$124,000	87,000		211,000
State Energy Conserv Pgm for Small Energy Consumers (DNRC)	305,439		338,000		643,439
Weed Control (Agric)			139,042		139,042
Admin (DNRC)				\$234,916	234,916
 Total Approved	 \$8,890,439	 \$124,000	 \$3,514,042	 \$234,916	 \$12,763,397
	=====	=====	=====	=====	=====

* House Bill 621 also appropriates the remaining balance of the \$1,666,000 appropriation of Exxon oil overcharge approved in House Bill 22 by the June 1986 special session.

OIL OVERCHARGE

Oil overcharge monies are allocated to states by the federal Department of Energy (DOE) or the federal court system as a result of litigation against oil companies overcharging for oil products. The funds are awarded as restitution. States must use the funds to assist those who were harmed as defined by DOE criteria.

Oil overcharge monies may not be used to replace state funds and may only be used in authorized program areas. Under DOE regulation, oil overcharge monies are to be allocated by the Governor. He must make signed assurances to the court and DOE that the funds will be expended according to the established criteria. A plan must be submitted for approval to DOE prior to expenditure of funds.

Funds available:

	Award Amount	Interest as of June 30, 1987	Total
Exxon	\$ 9,584,666	\$ 971,773	\$10,556,439
Stripper	3,290,875	223,167	3,514,042
Diamond Shamrock	220,444	14,472	234,916
Amoco	124,000	0	124,000
Total	\$13,219,985	\$1,209,412	\$14,429,397

Limits on usage of funds:

Exxon monies may be spent only on the following 5 approved programs administered by the indicated agencies:

- 1) State Energy Conservation Program - DNRC
- 2) Institutional Conservation Program - DNRC
- 3) Energy Extension Service - DNRC
- 4) Low Income Energy Assistance Program (LIEAP) - SRS
- 5) Weatherization Assistance Program - SRS

Stripper, Diamond Shamrock and Amoco monies may be spent on the same programs as Exxon or on any of the following programs:

- 1) Highway and bridge maintenance and repair
- 2) Ridesharing programs (vanpooling, carpooling)
- 3) Public transportation projects
- 4) Residential or commercial building energy audits
- 5) Grant or loan programs for weatherization or other energy conservation equipment installation
- 6) Energy assistance programs
- 7) Airport maintenance or improvement
- 8) Reduction in airport user fees
- 9) Energy conservation or energy research offices and administration

Single Program Plan:

The Department of Energy requires that states present a single program plan for any monies allocated to the 5 programs eligible for Exxon expenditures. Any monies proposed for those programs must be allocated to DNRC or SRS to meet DOE criteria. Allocations to the additional programs eligible under "Stripper" may be made separately.

Governor's Allocation:

Legislation will be proposed to the 1987 legislative session to provide appropriations to implement the allocations.

Exxon:

1) \$1,666,000 to SRS for weatherization. This supports the appropriation made by the June Special Session for weatherization in FY87.

2) \$5,750,000 to SRS to create a trust fund for LIEAP and weatherization. The director of SRS will be allowed to spend the interest earnings on either program at his discretion. The director will be allowed to use the principal to replace federal funds if the allocation for either program is reduced.

3) \$2,100,000 to the Department of Natural Resources and Conservation (DNRC) to be administratively appropriated to the Department of Commerce for a grant to build a transloading facility. Commerce will accept proposals on a competitive basis from Montana communities to build the facility.

4) \$500,000 to DNRC for grants for energy conservation programs in agriculture.

5) \$235,000 to DNRC for a grant to the Montana Government Energy Office for technical assistance to local governments and school districts.

6) \$305,439 to the DNRC for the State Energy Conservation Program.

Stripper, Diamond Shamrock, and Amoco:

1) \$2,000,000 to DNRC for energy retrofit revolving loans for state buildings.

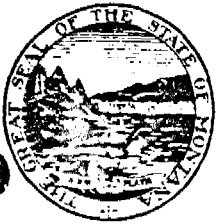
2) \$1,089,042 to DNRC for the institutional conservation program. These funds will be available to schools and hospitals on a competitive basis. The budget also contains approximately \$1 million of federal grant money, bringing the total funds available to schools and hospitals to \$2 million.

3) \$288,000 to DNRC for the State Energy Conservation Program.

4) \$50,000 to DNRC for energy conservation research and analysis.

5) \$234,916 to DNRC for administration of the Energy Conservation Programs. (Diamond Shamrock)

6) \$211,000 to the Department of Highways to install low pressure sodium vapor lights east of the divide.



JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA
Office of the Legislative Fiscal Analyst

STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

V

March 7, 1987

To: Representative Thoft
Chairman, Long-Range Planning Subcommittee

From: Madalyn Quinlan *MQ*
Associate Fiscal Analyst

Subject: Oil Overcharge Bills

All of the House Bills which dealt with oil overcharge monies were tabled by the Long-Range Planning subcommittee, with the exception of Representative Quilici's bill, House Bill 621 and House Bill 663.

House Bill 551 (Sands) was tabled by the long-range planning subcommittee after the subcommittee voted to appropriate \$1.6 million in each year of the 1989 biennium for low-income home weatherization. The appropriation was incorporated into House Bill 621.

House Bill 653 (Addy) was tabled by the long-range planning subcommittee after the subcommittee voted not to appropriate monies for Energy Share. The main concern of the subcommittee was that an appropriation to Energy Share would obligate the state to provide energy assistance in the future to individuals who are below 150 percent of the poverty level but above the 125 percent covered by current energy assistance programs.

House Bill 663 (Connelly) was sent to the House Appropriation Committee with no recommendation from the Long-Range Planning subcommittee.

House Bill 698 (Driscoll) was tabled by the Long-Range Planning Subcommittee after the subcommittee voted to approve \$1.6 million for each year of the 1989 biennium for low-income home weatherization. The appropriation and the language encouraging weatherization contractors to hire individuals who are eligible for general assistance are incorporated in the subcommittee amendments to House Bill 621.

MQ1A:kj:rt3-7b.

CHAIRMAN--SEN. PAT REGAN
NORMAL SCHEDULE==> SITE: ROOM 108

DAYS: MON THRU FRI TIME: 8:00 A.M.

SECRETARY--SYLVIA KINSEY

--BILL NO--	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
HB0538 WINSLOW, CAL	3/31	4/06	4/6, 4/8 REORGANIZATION OF DELIVERY OF SERVICES BY STATE HUMAN SERVICE AGENCIES	ADVERSE REPORT		4/8
HB0573 WINSLOW, CAL	2/12	3/11	3/11, 3/26 BALANCED BUDGET STATUTES	ADVERSE REPORT		3/26
HB0581 MCCORMICK, MAC	4/07	4/15	4/15 REVISING MONTHLY INCOME STANDARD FOR GENERAL ASSISTANCE RECIPIENTS	CONCUR		4/15
HB0593 BROWN, JAN	4/03	4/08	4/8, 4/13 PRIVATE ENTERPRISE ACT; ESTABLISHING A REVIEW COMMISSION	ADVERSE REPORT		4/13
HB0599 MERCER, JOHN	4/03	4/07	4/7 APPROPRIATING \$150,000 FOR THE U OF M BIOLOGICAL STATION AT YELLOW BAY	CONCUR AS AMENDED		4/7
HB0607 KEENAN, NANCY	3/13	3/17	3/17, 3/26 FUNDS FOR HIGHWAY SIGNS INVENTORY AND COMPREHENSIVE PLAN	CONCUR		3/26
HB0611 BROWN, DAVE	3/13	3/17	3/17, 3/26 ALLOCATE REIMBURSEMENTS FOR INDIRECT COSTS TO UNIVERSITY	CONCUR AS AMENDED		3/26
HB0621 QUILICI, JOE	3/17	3/30	3/30, 3/31, 4/2 ALLOCATE FEDERAL OIL OVERCHARGE MONEY	CONCUR AS AMENDED		4/2
HB0635 SIMON, BRUCE	3/02	3/05	3/5 ALLOW SRS TO MAINTAIN POSITIVE CASH BALANCE BY BORROWING FROM GENERAL FUND	CONCUR		3/5
HB0660 PECK, RAY	3/13	3/17	3/17, 3/31 UNIVERSITY FUND SPENDING AUTHORITY	ADVERSE REPORT		3/31
HB0702 VINCENT, JOHN	3/31	4/07	4/7 CREATE LEGISLATIVE REORGANIZATION COMMISSION	CONCUR		4/7

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 30, 1987

The 20th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol. Senator Regan, Chairman, called the meeting to order at 8:02 a.m. to hear House Bill 621 and take executive action on 434.

ROLL CALL: All members of the committee were present except Senators Tveit and Stimatz. Senator Tveit being excused for the morning session.

CONSIDERATION OF HOUSE BILL 621: AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF MONTANA; ESTABLISHING AN ENERGY CONSERVATION AND ENERGY ASSISTANCE ACCOUNT etc.

Quilici, House District 71, Butte said, this is the oil overcharge charge bill. He said, between 1973 and 1981 there were overcharges under the Federal Oil Price and Allocation and Controls act. The U. S. Government went in to litigation between Exxon, Chevron and others who were crude oil producers. The U. S. Court found these companies to be in violation of the act. They came up with over charge payments to various states. We are paid according to the amount of consumption each state has used. Our particular amount comes to nearly \$14.5 million. These funds are allocated in very specific ways. The U. S. Court said you can only spend these for specific projects. The Governors had to send a statement of assurance to the Court that they would only spend these funds in that specific way. The funds are allocated for LIEAP, Weatherization, Transloading facility, Agriculture and many other areas.

PROPOSERS TO HOUSE BILL 621: Dave Hunter, Director of the office of Budget and Program Planning said, I do have one amendment which I will pass out to all of you. There are people here from all of the agencies that are affected and I think they are all prepared to answer questions. I would like to talk about a couple important things in the bill. We will be required, once this bill passes in some form to submit a unified plan to the Department of Energy for the use of oil overcharge monies. I think it is important that this bill be the vehicle. There were 5 or 6 bills that were introduced in the House, the Long Range Planning Committee was cooperative, made the amendments that are in the bill so that we could have one bill and submit that one

unified plan. I would point out to you also that we do have a requirement under oil overcharge money to make sure that we allocate at least a proportion of these monies to low income individuals and a proportion of the amount to native Americans. That percentage is about 13% in terms of low income, given the allocations of both Lieap and weatherization we had allocated a little over 50%. Then the requirements also say to the extent we allocate money to those programs that native Americans get their share. SRS has an agreement with the various tribes to LIEAP and weatherization to get a share actually a little larger than their representation in the population. If the LIEAP and Weatherizations allocations that are now in this bill aren't changed then we will clearly meet both those federal criteria that we have to meet for the expenditure of the money. There are a list of eligible activities for both Exxon and Stripper are in the Budget book, I think on page 67. LFA also had a handout as to which activities are eligible for stripper and Exxon. All of the projects in the bill meet the criteria with one exception. Representative Addy amended in some money for energy share on the House floor. It is eligible for stripper, not for Exxon. It took some of the money out of Exxon.

Mr. Hunter said, one of the other things that is happening to us at the federal level with regard to this money is, Congress is certainly very aware that states have the availability of this money. The President's budget proposes to cut back substantially the amount of federal money that is available for LIEAP, weatherization, and for the Energy Conservation program with DNRC. Part of our recommendation in this bill the House has adopted, is to replace some of those monies so we can try to continue some of those programs at their current level. The way the bill is drafted, we would actually expand the weatherization program above its current level; but we would provide the Director of SRS the flexibility to use that money to replace lost weatherization or lost money for LIEAP if the Federal monies are cut back, and we would anticipate at least a strong likelihood.

Mr. Hunter said, the other amendment I would recommend to you is in regard to the West Yellowstone Airport. Under the stripper money to repair or renovate an airport facility -- one of the projects we got in the RFP was to fix the leaky roof at the West Yellowstone airport. When we made a recommendation to the Legislature, we chose to go through the Long Range Building bill that was presented to the Legislature. That project got dropped off at the last moment from the Long Range Planning bill.

Wayne Anderson, President of Energy Share Montana, and we support 621 as it is with the amendment Kelly Addy introduced in the House. I agree that, from my

understanding that money that was allocated does have to come from the stripper well money. The amendment was approved and passed in the House on a vote of 75 to I think, 14, so it does show good support for energy share in Montana. Mr. Anderson said this was aimed at people who "fell through the crack" with an income just too high to get LIEAP assistance, but badly needing the help and also with the reduction of LIEAP funds many were coming for assistance now. He said Energy Share does want to look at those people.

Jim Smith, Human Resources Development Council said, HRDC's are the local deliverers of weatherization and Low Income Energy Assistance and Energy Share Montana. We have worked with Representative Quilici who carried this bill, we have worked with Dave Hunter's office, with SRS in the development of the bill, and sat through the hearings in Long Range Building and Planning. Our interest in the bill is to see that the low income programs did receive a good share of these funds, enough to enable us to carry on the work we have been doing the last several years. I would point out, there was language added in the House encouraging us to do what we can, where we can, to hire people to weatherize homes who at this time are recipients of public assistance, or are on general assistance, and we will do our very best to follow that legislative direction. The second thing is on the energy share allocation is that, as amended on the House floor this bill would set up \$200,000 which would only be used to match private donations the energy share receives, so in this case the state would get a 2 for 1 benefit out of that energy share allocation.

John Lahr, representing Montana Power Company said, we would like to go on record in support of House Bill 621.

Phyllis Honka, Energy Share and Montana Association for the Blind said, I would like to go on record as supporting the additional amendment relating to the energy share. There are a number of people who are just above that poverty line, some within the Montana Association of the Blind, and we would also be using money that is private donations. I would really support this.

Evan Barrett, Montana Economic Development Association said, we are here specifically to support the section of the bill relating to the construction of a transloading facility in Montana. He handed in written testimony, attached as exhibit 2, House Bill 621.

Pam Miller said she wanted to be on record in support of House Bill 621.

John Ortwein, Montana Catholic Conference spoke in favor of the bill and handed in written testimony, attached as exhibit 3.

There were no further proponents, no opponents, and Senator Regan asked if there were questions from the committee.

QUESTIONS FROM THE COMMITTEE: Senator Hammond asked, what is the poverty line now? At what income level. Senator Regan said it depended on the size of the family. Someone from SRS could probably give you the schedule, and it may even be in the budget book.

Dave Lewis, Director, SRS said, the appropriations for AFDC were based on a percentage of the poverty level, and I think in the Appropriation write up, it depends on the size of the family. Jim Smith answered, it does depend on the size of the family. One person it is so much, 2 persons, so much, and for 4 people it is roughly \$12,000, and that is gross income, all sources, wages, tips, inheritance.

Senator Hammond asked, where did this overcharge come from? Where was the greatest impact -- who paid it? Representative Quilici answered, the greatest impact was Exxon, then some came from Chevron, some came from Diamond Shamrock paid some. Senator Hammond asked, they paid it to whom? Representative Quilici answered, the courts demanded they pay it to the Department of Energy. Senator Hammond asked, who paid it and Representative Quilici said the overcharge was to the consumers in the United States. Before the states got any of the money the courts said they shall make repayments to the trucking industry, the airlines, etc. Senator Hammond asked about Agriculture and where did they stand. Representative Quilici said he was not sure if they got direct payments or not. They get payments through this particular bill.

Dave Hunter said Representative Quilici was correct. The principle of the overcharge was that consumers were overcharged for oil because the oil companies charged in excess of the regulations. Court suits were brought against them and the deal required the states return the money in some kind of relationship to the way people were harmed.

Senator Himsel asked, do you know any more about that transloading facility? Representative Quilici said, the transloading facility will probably be located on a major rail line. The community that puts in an RFP -- The department of Commerce will require RFP's from each community request proposal. The request for proposal will be submitted by -- I think at the present time the Department of Commerce has proposals from places like Great Falls, Billings, Butte, Missoula -- I think Shelby has contacted them.

Senator Hammond said he would like to follow up. He still did not have his question answered. Senator Keating said he could answer the question and said, In 1973 the Department of Energy classified crude oil into about 4 or 5 classes and established a windfall profits tax category on each level of crude oil. Old oil, new oil, old new oil, new old oil etc. What happened to Exxon -- their interpretation of the windfall profits tax formula for a single field in Eastern Texas was disputed by the Department of Energy about 6 or 7 years after the formula had been applied to their production for that period of time. The U. S. Supreme Court upheld the Department of Energy's claim that the formula was exceeded: that the classification of crude oil by Exxon was an improper class and that they had sold that old oil at a higher price than was permitted under the windfall profits tax formula and they had to rebate that money to the U. S. Treasury. Since that crude oil was sold throughout the U. S. through the refining process and retailing process they decided the consumer was the ultimate payor of that excess windfall profits, or the shortfall in the windfall profits tax and therefore it had to be distributed to the consumers of the United States. It was divided up accordingly to all of the various states.

Senator Hammond said, okay you got close -- now I want to know which categories of consumers paid the greatest amount of that overcharge? Does anyone have that? We are giving it back to a lot of people without any regard for who paid for it. Senator Smith said, Agriculture paid the biggest amount. Senator Hammond said, that is the thing I suspect, but I am not able to get that answer here.

Senator Boylan said, it looks to me like there is a lot of bucks here. What is built into the bill to see that the administrative costs will not take a big share of it? Dave Hunter said, if you will notice in the back part of the bill there is an allocation for administrative charges from the Diamond Shamrock money. It is \$234,916; page 8, line 17 is where the reference is. I guess I would suggest to you that for the administration of \$14.4 million that is not a lot of money for the allocation.

There were no further questions and Representative Quilici said in closing that this bill had a lot of input from a lot of entities. It first occurred in LRP, then in the full Appropriations committee, then on the floor of the House. There has been quite a few amendments put in, most of them have been within the guidelines set down by the court. I think you might want to look at the amendments suggested by Mr. Hunter on the energy share, I personally have no real problems with it.

Senator Regan declared the hearing closed and said we had scheduled executive action on 424.

*Amend
Bill Sub 1
H.R. 1*

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1
DATE 3-30-87
H BILL NO. 621

Admendments to HB 621:

Fix or repeal the "Addy" admendment

Repeal

- 1) Page: 3
Lines: 3-19
Strike: Section 5

Page: 7
Line: 25
Strike: 1,900,000
Insert: 2,000,000

Page: 8
Line: 5
Strike: 900,000
Insert: 1,000,000

Fix

- 1) Page: 3
Line: 14
Strike: 1,550,000
Insert: 1,650,000

2) Page: 3
Line: 17
Strike: 950,000
Insert: 850,000

Repair the West Yellowstone Airport Roof:

- 1) Page: 7
Line: 13

Insert : New Section: Section 9. There is appropriated from the Stripper Well Payment contained in the Federal Special Revenue Fund to the Department of Commerce 65,000 for repair of the roof at the West Yellowstone Airport.

- 2) Page: 7
Line: 25
Strike: 1,900,000
Insert: 1,985,000



ECONOMIC DEVELOPMENT ASSOCIATION
Post Office Box 1093 • Helena, Montana 59624 •

DATE: March 27, 1987

TO: Members of the Senate Finance and Claim
Committee

FROM: Montana Economic Development Association

SUBJ: House Bill 621

I want to thank you for the opportunity to testify before the Senate Finance and Claims Committee in support of the Governor's recommendation, in House Bill 621, for an appropriation from the Exxon Oil Overcharge monies for a transportation hub facility.

A large segment of the economic development community in Montana is vitally interested in the construction of the hub. We believe that it will provide significant economic benefits as well as the necessary and appropriate energy savings required. The economic development "triple play" that comes with the facility includes:

1. Creation of Montana jobs -- an estimated 250 primary and secondary jobs.
2. Reduced freight rates -- retaining more dollars in the pockets of Montana manufacturers, shippers and producers, resulting in more money spent on Main Street, Montana.
3. Availability of new markets for Montana products -- resulting from reduced rates while enabling Montana products to be shipped further and still remain competitive.

Because of these things, we endorse the concept for its economic as well as energy benefits. Testimony on behalf of the transportation hub has come previously by the following entities:

Butte Local Development Corporation
Gallatin Development Corporation
Missoula Economic Development Corporation
Anaconda Local Development Corporation
Great Falls Chamber of Commerce
Butte Chamber of Commerce
Anaconda Chamber of Commerce
Lewis and Clark County Commission Chairman
Champion International
Montana Grain Growers Association
Montana Motor Carrier's Association

SENATE FINANCE AND CLAIM

EXHIBIT NO. 2

DATE 3-30-87

H BILL NO. 621

This project would benefit Montana's basic shippers in agriculture, timber, and mining, and would provide a strong competitive boost for the State's economy.

Again, we urge your support for HB 621 and specifically for the \$2.1 million appropriation and the construction of the transportation hub by one of our Montana communities.

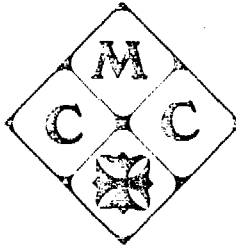
prh

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2 Page 2

DATE 3-30-87

BILL NO. 621



Montana Catholic Conference

March 30, 1987

CHAIRMAN REGAN AND MEMBERS OF THE SENATE FINANCE AND CLAIMS COMMITTEE:

I am John Ortwein representing the Montana Catholic Conference.

I am here today to speak in favor of House Bill 621.

I would like to specifically address two sections of the Bill which deal with the weatherization of homes and the Energy Share portion of the bill.

For several years members of low-income groups have come to various committees of the Montana Legislature stating the same phrase, "We would like to have a job." This bill encourages those entities that receive weatherization funds to hire individuals who are eligible for general assistance to do the weatherization work. This not only employs persons who might not otherwise have a job, but will result in a savings to the government through decreased welfare and unemployment insurance expenditures and increased revenues from the taxes paid by the newly employed.

From the conception of the Energy Share, Inc. program the Montana Catholic Conference has been involved. We are still a sponsor of the program. The first Chairman of Energy Share was John Frankino, who served in the position I now hold as Director of the Montana Catholic Conference.

Energy Share serves well as a program to bring the private and corporate sectors together to help in providing heat and light to those that would not otherwise find assistance. Energy Share has done a good job through the years and the appropriation of \$100,000 for each year of the next biennium to match private contributions will help a great number of people.

We urge your support of H.B. 621

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 3
DATE 3-30-87
BILL NO. 621



Senator Keating asked, what was the source of the money? Representative Harper said license fees from restaurants, hotels, trailer courts, accommodations. There is a \$30 fee in different parts of the law. 85% in each case has to be sent back to the local board inspection account. The money will vary according to how many inspections are made.

Representative Harper said he closed, and Senator Regan closed the hearing on House Bill 243.

CONSIDERATION OF HOUSE BILL 252: AN ACT TO REQUIRE THAT FUNDS DERIVED BY OFFICE OF PUBLIC INSTRUCTION FROM THE MEDIA LIBRARY AND DIVISION OF RESOURCES AND ASSESSMENT BE DEPOSITED IN ACCOUNTS IN THE STATE SPECIAL REVENUE FUND. Representative Nathe, House District 19 said, this bill came out of the education subcommittee in Appropriations. It is a housekeeping bill in that it responds to some of the exceptions that were written up on the audit by the Legislative Auditor. This bill did not get drafted and introduced, so we as a subcommittee did so. It changes two accounts in their operation from enterprise accounts to state special revenue accounts. An enterprise account is about the same as a proprietary account, which means the money that goes in there can be spent on budget amendment. If it is a state special revenue account it can only be used for that specific purpose. If the money has to be used for something else it can only be used when the Governor declares a special emergency. This tightens down the use of the money that flows into the two accounts that are mentioned on page 1 and page 2 of that bill. One is for the audiovisual library and resources and assessment account.

There were no further proponents, no opponents, and no questions from the committee. Representative Nathe said, I close. The hearing on House Bill 252 was declared closed by Chairman Regan.

DISPOSITION OF HOUSE BILL 252: Motion by Senator Himsel that House Bill 252 be concurred in. Voted, passed, unanimous.

CONSIDERATION OF HOUSE BILL 621: Senator Regan suggested House Bill 621, which is the oil overcharge bill, and said there had been an amendment proposed.

Senator Boylan proposed the amendment, exhibit 1, HB 621 as the two on the bottom of the page on the West Yellowstone Airport Roof.

Senator Regan asked if 621 had been in Long Range Building and suggested it be put aside then and we will notify the Long Range Building committee and we will act on it tomorrow morning.

Fasbender said the state does guarantee the rate etc. to the bondholder. Mr. Keating asked, no one has ever not been able to service their debt thus far? Mr. Fasbender said, that is correct.

There were no further questions, Senator Van Valkenburg said he closed.

DISPOSITION OF HOUSE BILL 7: Motion by Senator Manning that House Bill 7 be concurred in. Voted, passed, unanimous of those present.

DISPOSITION OF HOUSE BILL 621: AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF MONTANA; ESTABLISHING AN ENERGY CONSERVATION AND ENERGY ASSISTANCE ACCOUNT, etc.

Senator Regan said she thought there were some problems in the bill that should be addressed.

Motion by Senator Manning to amend House Bill 621 on page 3, line 14, et. This would use a portion of the stripper well money for insulation, heating plant, cost effective windows, etc. for new construction. We have to apply for the grant and the proposals have to be set up to certain guidelines. He said this would be for the people, on schools and hospitals on new construction, and subsection 5 funds would be used for retrofitting existing schools and hospitals for energy conservation.

Senator Regan asked if the members of the subcommittee would take a look at it and comment if they so desired.

Senator Van Valkenburg said, I would like to ask Senator Manning who the money is being taken from. Senator Manning said out of the Institutional Conservation Program. Senator Van Valkenburg said, it would come out of the Institutional Conservation Program and be put into the Weatherization account. This is an amendment that the subcommittee considered and rejected. It sets aside \$200,000 for new schools and we considered this in the form of a bill that was presented to the committee. It in essence, came down to one or two schools in the Flathead area. They had a situation there where a school burned down in West Glacier and they are building a new school. We thought this was too specific a use of this money. As long as this money was in Institutional category that those schools would be able to apply for it and compete for the money just the same as everyone else in the state. If we adopted this amendment it would in essence, be a direct appropriation to that particular school district.

Substitute motion by Senator Tveit that the amendment do not pass.

Question was called, voted, passed.

Some amendments were passed out by Senator Van Valkenburg and he said it had 2 aspects to it. The first is to deal with the energy share program. He said, you may recall when the bill was presented, we were told Representative Addy had amended the bill on the floor of the House, but the amendment was not done properly, because to put the money in the energy account it needed to come from the stripper account and half of this money comes from the Exxon overpayment. The first amendment would simply fix that so all the money comes out of the stripper account. It would leave the dollar amount the same so the energy share would get what the House put in the bill.

Motion by Senator Van Valkenburg to move the above amendment, page 3 lines 14 and 17.

Senator Regan asked if this did not have a dollar for dollar match. Senator Van Valkenburg said he thought it did.

Carl Visser, Energy Share Program, Billings, and with the Human Resource Council said, the situation with energy share is that there is a dollar for dollar match, and during the last year as a private donation we had 3100 individuals in the state of Montana that donated a little, and each of the dollars they put in were matched by this fund. We would understand it to be a one time situation.

Senator Manning asked, is this a group of individuals that fall through the cracks, they are not below the poverty level low enough? Carl Visser answered, in this particular situation this assistance would go to those people that are just above. In the LIEAP program, you have to take the income for the last 12 months, and there are sometimes situations when the people become unemployed during that time and they are not eligible because of the 12 month determination. There also a number of seniors who have medical bills, etc and can't quite qualify for the federal program. This is a private, non-profit program.

Senator Hammond asked, this is by application? Mr. Visser said yes.

Senator Hammond asked, it goes to the people above the poverty level who haven't been able to pay their bill? Mr. Visser said, yes.

Question was called, voted, passed, unanimous of those present.

Senator Van Valkenburg said, My second amendment is one that would appropriate \$65,000 to the Department of Commerce for the purpose of repairing the roof on the West Yellowstone

airport, and \$85,000 into the Institutional Conservation Program. The reason we are doing this is that there is \$150,000 of additional oil overcharge money that has become available since the subcommittee considered this bill. The Institutional Conservation Program has been cut back already \$100,000 because of some earlier changes we had made in the bill. That is why we thought it appropriate that \$85,000 of that money should go back into that particular program. When we considered the LRB bill the subcommittee deleted funding for a roof at the West Yellowstone airport. We had done that because we were of the opinion that the state really should not be in the airport business.

Senator Van Valkenburg explained that the problem is the state has a perpetual agreement with the federal government to operate this particular airport and maybe something of a moral obligation to at least take care of the immediate needs of the airport. Members of the subcommittee have talked to the feds on this. I think if we fix the roof that there is at least a reasonable chance to turn it over to the West Yellowstone authorities. He said he is proposing they have the \$65,000 and fix the roof, and if the town will not take it the Department of Commerce is directed to come back to us in 2 years with a plan for closure of that airport.

Senator Smith said he hoped we didn't get caught up in this like the legislature did with the Daley Ditch.

Senator Boylan asked, has any contact been made with the people of West Yellowstone on this?

Dave Needler, Aeronautics Division said they had in the past contacted both Galatin County and the city of West Yellowstone offering them the airport for \$1 and have been turned down.

Senator Regan asked, how much does it cost to maintain that airport? Dave Needler said the expenses this past season totaled \$42,000.

Senator Hammond asked how did we get it? Senator Boylan said the Federal government built that and Mike Mansfield had that done years ago. It is a big airport, and an expensive airport. It does bring in a lot of private planes to land there. There were commercial airlines in there but they are in and out, don't stay.

Senator Hammond asked, how did the state get it? Mr. Needler said, it is my understanding that in 1964 the airport was proposed to serve Yellowstone National Park. At that time the city of West Yellowstone was not incorporated and therefore not an eligible sponsor. Galatin County took the position that they were already responsible for 2 airports, and therefore the state of Montana in the

interests of it being a tourism aspect of the enhancement of Yellowstone Park agreed to assume ownership of the airport. I would like to add, that although the expenses this past year were \$42,000 the airport did generate \$46,000.

Senator Van Valkenburg said, let me just point out that there may be a real potential of future revenues. I don't remember when Frontier Airlines went under, but Frontier and Western had both served West Yellowstone with commercial jets. Frontier has gone, Continental didn't take over that stop, Western with its merger with Delta has discontinued service there. I think the only scheduled service into West Yellowstone is a commuter out of Salt Lake, and unless West Yellowstone is able to get a major commercial carrier to come in there they're not going to have the revenue it will take to continue to operate that airport.

Senator Boylan said, I just wanted to be sure they have contacted West Yellowstone people and they know what we are doing. Mr. Needler said, we are more than willing to do that.

Senator Hammond said they ought to be also made aware of Senator Van Valkenburg's proposition. I think it should be done sooner than that.

Senator Regan said, I think if you read the language carefully, it says that they will take steps to do it and report back to the next legislature, so you are looking at a 2 year term to work some kind of an agreement out.

Senator Hammond said, but it's awfully hard to hold somebody to something -- it's there, and you can't move it and so they will always benefit from it.

Senator Van Valkenburg said he could not speak for all the subcommittee members but he had talked to several of them. What we are saying here is that we will recommend putting \$65,000 of oil overcharge money into roof, but only if we can see some of these other things coming along.

Question was called, voted, passed, unanimous of those present.

Motion by Senator Van Valkenburg that House Bill 621 as amended be concurred in. Voted, passed. Unanimous of those present.

Senator Regan said the committee would meet again in the morning to hear 2 bills, 725 and 868 and take Executive action on the satellite program 185. She said she had received some material, and asked if Senator Hammond had. He answered that he had received his answer this morning that we can't get it.

Finance and Claims
April 2, 1987
Page 10

The meeting was adjourned.



Senator Reagan, Chairman

asm
#1
Manning

V

Senator Manning

3-31-87

House Bill 621

2nd

yellow

1) Page 3, line 14.
Strike: "\$1,550,000"
Insert: "\$1,800,000"

2) Page 3, line 17.
Strike: "\$950,000"
Insert: "\$700,000"

3) Page 8, line 5.
Strike: "\$900,000"
Insert: "\$700,000"

4) Page 8, following line 9.
Insert: "(6) There is appropriated \$200,000 from the stripper well payment to the department of natural resources for making grants to school districts or hospitals for the installation of energy conserving measures in schools and hospitals to be constructed."

Renumber: subsequent subsections

W-6
Daniel C. Manning

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1
DATE 4-2-87
H/ BILL NO. 621

Substitute Motion Do NOT Pass
Passed,

*Revenue
Budget
4/26/87*

*No on bill
12 energy share/1/2/1
not in.
Rete*

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1
DATE 4-22-87
H BILL NO. 621

Admendmentments to HB 621:

Fix or repeal the "Addy" admendment

Repeal - *Yes*

- 1) Page: 3
Lines: 3-19
Strike: Section 5

Page: 7
Line: 25
Strike: 1,900,000
Insert: 2,000,000

Page: 8
Line: 5
Strike: 900,000
Insert: 1,000,000

Fix - *No*

- 1) Page: 3
Line: 14
Strike: 1,550,000
Insert: 1,650,000

2) Page: 3
Line: 17
Strike: 950,000
Insert: 850,000

Repair the West Yellowstone Airport Roof:

- 1) Page: 7 *— Yes only if give budchng away*
Line: 13
Insert : New Section: Section 9. There is appropriated from the Stripper Wall Payment contained in the Federal Special Revenue Fund to the Department of Commerce 65,000 for repair of the roof at the West Yellowstone Airport.
- 2) Page: 7
Line: 25
Strike: 1,900,000
Insert: 1,985,000

24W 2)
✓✓ 4-2-87
H.B. 621
C

Senator Van Valkenburg
Amend House Bill 621

1. Page 3, Line 14
Strike: "\$1,550,000"
Insert: "\$1,650,000"

Page 3, Line 17
Strike: "\$950,000"
Insert: "\$850,000"

2. Page 7, Line 25
Strike: "\$1,900,000"
Insert: "\$1,985,000"

Page 9, Following line 12

Insert: "New Section: Section 9. There is appropriated from the Stripper Well Payment, contained in the Federal Special Revenue Fund to the Department of Commerce, \$65,000 for repair of the roof at the West Yellowstone Airport. The Department of Commerce is directed to take the steps necessary to transfer ownership of the West Yellowstone Airport to the City of West Yellowstone or another local public authority willing to own and operate the airport. If no public entity is willing to take over the airport, the Department shall present a plan to the 51st Legislature to close the airport."

✓✓
Voted
Passed
Re number: subsequent Sections

STANDING COMMITTEE REPORT

April 2, 1987 19.....

MR. PRESIDENT

We, your committee on.....FINANCE AND CLAIMS.....

having had under consideration.....House Bill.....No. 621.....

third.....reading copy (blue.....) color

ALLOCATE FEDERAL OIL OVERCHARGE MONEY

QUILICI (Walker)

Respectfully report as follows: That.....House Bill.....No. 621.....
be amended as follows:

1. Page 3, line 14.
Strike: "\$1,550,000"
Insert: "\$1,550,000"

2. Page 3, line 17.
Strike: "\$950,000"
Insert: "\$350,000"

3. Page 7, line 25.
Strike: "\$1,900,000"
Insert: "\$1,985,000"

4. Page 9, Following line 12.
Insert: "New Section. Section 10. There is appropriated from the stripper well payment, contained in the federal special revenue fund to the department of commerce, \$65,000 for repair of the roof at West Yellowstone airport. The department of commerce is directed to take the steps necessary to transfer ownership of the West Yellowstone airport to the city of West Yellowstone or another local public authority willing to own and operate the airport. If no public entity is willing to take over the airport, the department shall present a plan to the 51st legislature to close the airport."

Renumber: subsequent sections

AND AS AMENDED
BE CONCURRED IN

XXXXXX
DO PASS

XXXXXXXXXX
DO NOT PASS

Senator Regan

Chairman.

Laws and Resolutions
OF THE
STATE OF MONTANA



ENACTED BY THE

Fiftieth Legislature

In Regular

Session

Held at Helena, the Seat of Government

January 5, 1987 to April 23, 1987



Montana Legislative Council

Room 138
State Capitol
Helena, Montana 59620

Robert B. Person
Acting Executive Director

APPROPRIATIONS

HB	Sponsor	Title
1	Donaldson	AN ACT APPROPRIATING MONEY FOR THE OPERATION OF THE 50TH LEGISLATURE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.Page 1895
2	Donaldson	THE GENERAL APPROPRIATIONS ACT OF 1987 FOR THE APPROPRIATION OF MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1989; AND PROVIDING FISCAL 1987 SUPPLEMENTAL APPROPRIATIONS TO FUND IMPLEMENTATION COSTS OF LEGISLATION ENACTED BY THE 50TH LEGISLATURE.Page 1896
3	Donaldson	AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1987, THAT WOULD USUALLY BE MADE BY BUDGET AMENDMENT; PROVIDING FOR SOME APPROPRIATIONS TO CONTINUE FROM FISCAL YEAR 1987 TO FISCAL YEAR 1988; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.Page 1930
5	Thoft	AN ACT TO APPROPRIATE MONEY FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1989; TO PROVIDE FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.Page 1933
6	Thoft	AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS FOR DESIGNATED PROJECTS UNDER THE RESOURCE INDEMNITY TRUST GRANTS PROGRAM; PRIORITIZING GRANTS AND AMOUNTS; AND ESTABLISHING CONDITIONS FOR GRANTS.Page 1940
7	Thoft	AN ACT TO APPROPRIATE MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE RESOURCE BOND PROGRAM; TO AUTHORIZE LOANS FROM WATER DEVELOPMENT BOND PROCEEDS AND APPROPRIATE FUNDS FOR DEBT SERVICE; TO REAUTHORIZE GRANTS AND LOANS APPROVED BY THE 1985 LEGISLATURE; TO APPROVE THE ISSUANCE OF STATE OF MONTANA COAL SEVERANCE TAX BONDS TO PROVIDE FUNDS FOR LOANS TO POLITICAL SUBDIVISIONS AND LOCAL GOVERNMENTS FOR CERTAIN APPROVED WATER DEVELOPMENT PROJECTS; TO REAUTHORIZE STATE OF MONTANA COAL SEVERANCE TAX BONDS FOR CERTAIN PROJECTS APPROVED BY THE 1985 LEGISLATURE; TO APPROPRIATE COAL SEVERANCE TAX INCOME FOR DEBT SERVICE; TO AUTHORIZE THE CREATION OF A STATE DEBT; TO REALLOCATE CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30, 1989; TO PLACE CERTAIN CONDITIONS UPON GRANTS AND LOANS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.Page 1945
275	Rapp-Svrcek	AN ACT APPROPRIATING MONEY TO REPLACE THE POTENTIAL EARNINGS LOST TO INVESTMENT FUNDS USED TO PURCHASE DISCOUNTED CERTIFICATES OF DEPOSIT UNDER THE AGRICULTURAL PRODUCTION LOAN LINKED DEPOSIT PROGRAM; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.Page 1956
434	Donaldson	AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1987; TRANSFERRING \$35 MILLION FROM THE LOCAL IMPACT AND EDUCATION TRUST FUND ACCOUNT TO THE GENERAL FUND; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.Page 1956
599	Mercer	AN ACT APPROPRIATING MONEY FROM THE GENERAL FUND AND THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS TO THE UNIVERSITY OF MONTANA FOR ACQUISITION OF EQUIPMENT AND HIRING OF SCIENTIFIC AND ADMINISTRATIVE PERSONNEL FOR THE UNIVERSITY OF MONTANA BIOLOGICAL STATION AT YELLOW BAY ON FLATHEAD LAKE.Page 1962
607	Keenan	AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR A STATEWIDE INVENTORY OF AND A COMPREHENSIVE PLAN FOR A SYSTEM OF HIGHWAY SIGNS; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE.Page 1963
621	Quilici	AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF MONTANA; ESTABLISHING AN ENERGY CONSERVATION AND ENERGY ASSISTANCE ACCOUNT; AMENDING SECTION 17-7-502, MCA; AND PROVIDING EFFECTIVE DATES.Page 1964

HB	Sponsor	Title
787	Addy	AN ACT APPROPRIATING MONEY TO EXTEND BY SATELLITE THE UNIVERSITY OF MONTANA MASTER OF BUSINESS ADMINISTRATION PROGRAM TO BILLINGS, TO BE OFFERED IN COOPERATION WITH PROGRAMS AT EASTERN MONTANA COLLEGE BUT WITH A DEGREE FROM THE UNIVERSITY OF MONTANA.Page 1970
867	Vincent	AN ACT APPROPRIATING FUNDS TO THE GOVERNOR'S OFFICE FOR ESTABLISHMENT OF THE SUPER COLLIDER TASK FORCE, DATA COLLECTION, PROPOSAL PREPARATION, AND RELATED PHYSICAL IMPROVEMENTS IN SUPPORT OF MONTANA AS THE LOCATION FOR THE SUPERCONDUCTING SUPER COLLIDER RESEARCH FACILITY PROPOSED BY THE U.S. DEPARTMENT OF ENERGY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.Page 1970
868	Swysgood	AN ACT TO APPROPRIATE MONEY TO THE DEPARTMENT OF AGRICULTURE FOR VERTEBRATE PEST MANAGEMENT PURPOSES.Page 1971
878	Addy	AN ACT TO APPROPRIATE TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES \$50,000 FOR THE ESTABLISHMENT AND OPERATION OF AIR QUALITY MONITORING STATIONS IN YELLOWSTONE COUNTY, CONTINGENT UPON THE CONTRIBUTION OF MATCHING FUNDS FROM PRIVATE INDUSTRIES.Page 1972

SENATE JOINT RESOLUTIONS

SJR	Sponsor	Title
1	Gage	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA OPPOSING THE PROPOSED INDIAN HEALTH SERVICE REGULATIONS LIMITING ELIGIBILITY FOR HEALTH CARE SERVICES.Page 1975
3	Gage	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA URGING OPERATION OF PORTS OF ENTRY BETWEEN THE PROVINCES OF ALBERTA, BRITISH COLUMBIA, AND SASKATCHEWAN, CANADA, AND MONTANA ON SUMMER-HOUR SCHEDULES DURING THE 1988 WINTER OLYMPICS.Page 1976
4	Keating	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA RATIFYING A PROPOSED AMENDMENT TO THE UNITED STATES CONSTITUTION CONCERNING PAY INCREASES FOR MEMBERS OF CONGRESS.Page 1977
6	Van Valkenburg	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA TO ADOPT JOINT RULES TO GOVERN THEIR PROCEEDINGS.Page 1978
8	Keating	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ENDORSING THE RECOMMENDATIONS OF THE DEVELOPMENTAL PLANNING TASK FORCE RELATING TO PROVISION OF SERVICES TO PERSONS WITH DEVELOPMENTAL DISABILITIES.Page 2003
9	Jergeson	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION TO GIVE EQUAL CONSIDERATION TO HYDROPOWER PROJECTS ASSOCIATED WITH AGRICULTURE AND AGRICULTURAL PROJECTS FOR PRIVATE GRANTS AND LOANS UNDER THE WATER DEVELOPMENT PROGRAM.Page 2004
11	Beck	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA TO NAME THE ADMINISTRATION BUILDING AT THE MONTANA STATE PRISON AT DEER LODGE THE "RICHARD C. WALLACE BUILDING" IN RECOGNITION OF THE LONG SERVICE AND VARIED CONTRIBUTIONS OF RICHARD C. WALLACE, WHO DIED IN AN EXPLOSION AT THE MONTANA STATE PRISON.Page 2005
12	Weeding	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING CONGRESS TO CLARIFY ELIGIBILITY REQUIREMENTS FOR GENERAL PARTNERS RECEIVING FARM COMMODITY PROGRAM PAYMENTS.Page 2006

HOUSE BILL NO. 621

AN ACT APPROPRIATING OIL OVERCHARGE MONEY FOR PROGRAMS ADMINISTERED BY THE STATE OF MONTANA; ESTABLISHING AN ENERGY CONSERVATION AND ENERGY ASSISTANCE ACCOUNT; AMENDING SECTION 17-7-502, MCA; AND PROVIDING EFFECTIVE DATES.

Be it enacted by the Legislature of the State of Montana:

Section 1. Policy. As the result of overcharges on the sales of domestic crude oil, the federal courts have ordered or approved settlements requiring the repayment of the total amount of overcharges, plus interest, into an escrow account to be distributed by the U.S. treasury to the states, territories, and possessions of the United States. It is the policy of this state to use the oil overcharge money distributed to the state to supplement state and federal programs that the state administers in a manner consistent with federal court orders establishing or approving the payment of the funds to the state of Montana and in accordance with the precedent established by the U.S. congress in appropriating money to federal programs.

Section 2. Definitions. As used in [this act], the following definitions apply:

(1) "Amoco payment" means the oil overcharge payment made to the U.S. treasury for distribution to the state of Montana pursuant to the administrative decision and order entitled standard oil co. (Indiana)/Maryland, 13 DOE 85, 075 (1985).

(2) "Diamond shamrock payment" means the oil overcharge payment made to the U.S. treasury for distribution to the state of Montana pursuant to the order of the U.S. district court for the southern district of Ohio eastern division in Civil Action No. C2-84-14032.

(3) "Exxon payment" means the oil overcharge payment made by the Exxon corporation to the U.S. treasury for distribution to the state of Montana pursuant to the order of the U.S. district court for the District of Columbia in Civil Action No. 78-1035.

(4) "Stripper well payment" means the oil overcharge payment made to the U.S. treasury for distribution to the state of Montana as the result of the final settlement agreement in the U.S. district court for the District of Kansas, Cause No. M.D.L. 378.

Section 3. Account established — use. (1) There is created an energy conservation and energy assistance account within the federal special revenue fund established in 17-2-102.

(2) The amounts deposited in the account and interest and earnings on the account are statutorily appropriated as provided in 17-7-502 to the department of social and rehabilitation services to fund its low-income energy assistance and home weatherization programs created in 90-4-201. However, the department may use the principal of the account only if the federal grants for either of those programs is reduced below the federal

fiscal year 1987 level. The department may not use the principal to increase expenditures to either program above the level of the federal grant for that program for federal fiscal year 1987.

Section 4. Transfer of funds. (1) There is transferred to the energy conservation and energy assistance account \$1,650,000 from the Exxon payment contained in the federal special revenue fund.

(2) There is transferred to the energy conservation and energy assistance account \$850,000 from the stripper well payment in the federal special revenue fund.

(3) The remaining balance of the appropriation in House Bill No. 22 of the June 1986 special session is transferred to the energy conservation and energy assistance account.

(4) There is transferred to the Exxon weatherization account \$3,200,000 from the Exxon payment contained in the federal special revenue fund. These funds are appropriated to the department of social and rehabilitation services for use in the home weatherization program created in 90-4-201.

(5) (a) There is appropriated to the department of social and rehabilitation services \$100,000 from the stripper well payment contained in the federal special revenue account for each year in the biennium ending June 30, 1989, for the purpose described in subsection (5)(b).

(b) Matching funds for low-income energy assistance. The department of social and rehabilitation services shall match private contributions to energy share, inc., to be used to assist persons not eligible for federal low-income energy assistance whose income is less than 150% of the federal poverty threshold published by the U.S. bureau of the census in the most recent edition of its publication, Characteristics of the Population Below the Poverty Level (Current Population Reports, Series P-60). All of the funds appropriated to the department for this purpose under subsection (5)(a) must be used for clients' fuel bills or other energy needs.

(6) The department of social and rehabilitation services shall encourage human resource development councils and other public or nonprofit entities that receive weatherization funds to hire individuals who are eligible for general relief under Title 53, chapter 3, to work in home weatherization projects, to the maximum extent possible.

Section 5. Transloading facility. (1) The department of commerce is authorized to issue to a local government a grant for construction of a demonstration truck/train transloading facility. The department shall solicit and accept proposals for no less than 2 months following the issuance of requests for proposals and shall award the grant primarily on the basis of simple payback in energy savings. The department shall also consider impact on freight rates, job creation, geographic proximity to raw materials, and access to new markets for Montana producers and shippers.

(2) The department of natural resources and conservation is authorized to administratively transfer funds to the department of commerce for a demonstration truck/train transloading facility as provided in subsection (1).

Section 6. Energy conservation in agriculture. (1) The department of natural resources and conservation is authorized to make grants under its state energy conservation program, approved pursuant to 10 CFR 420.5, to conservation districts for projects that promote energy conservation in agriculture.

(2) The department of natural resources and conservation shall give public notice of opportunity for grants and the criteria to be used for the award of grants. The criteria must include but are not limited to energy savings and consistency with sound water and soil conservation practices.

Section 7. State-owned building retrofitting. (1) The department of natural resources and conservation is authorized, in consultation with the department of administration, to train employees in the operation and maintenance of energy saving equipment and in the implementation of energy conserving practices and to make grants to state agencies for energy efficiency analysis of state-owned buildings. The department of natural resources and conservation may also make loans to state agencies for retrofitting state-owned buildings.

(2) The department of natural resources and conservation shall consider simple payback, type of energy saved, results of similar projects, expected life of the retrofit, and use of the retrofit as a model for other buildings in making grants and loans under subsection (1).

Section 8. Biological agents for weed control. (1) The department of agriculture is authorized to expend funds for the collection and distribution of biological agents to control leafy spurge and spotted knapweed. The project will reduce energy consumption by reducing the need for repeated chemical application.

(2) The department of natural resources and conservation is authorized to administratively transfer funds to the department of agriculture for the project described in subsection (1).

Section 9. Appropriations. (1) There is appropriated from the Exxon payment contained in the federal special revenue account to the department of natural resources and conservation \$2,100,000 for use in the state energy conservation program, approved pursuant to 10 CFR 420.5, for a grant for a transloading facility pursuant to [section 5].

(2) There is appropriated \$305,439 from the Exxon payment and \$338,000 from the stripper well payment contained in the federal special revenue account to the department of natural resources and conservation for use in the state energy conservation program, approved pursuant to 10 CFR 420.5, to encourage cost-effective energy conservation practices by small energy consumers, to reduce the rate of growth of energy demand, and to analyze energy conservation practices and issues.

(3) There is appropriated \$500,000 from the Exxon payment contained in the federal special revenue fund to the department of natural resources and conservation for implementation of [section 6].

(4) There is appropriated \$1,985,000 from the stripper well payment contained in the federal special revenue fund to the department of natural resources and conservation for implementation of [section 7].

(5) There is appropriated \$900,000 from the Exxon payment contained in the federal special revenue fund to the department of natural resources and conservation for use in the institutional conservation program for schools and hospitals administered by the department pursuant to 10 CFR 455.

(6) There is appropriated \$235,000 from the Exxon payment contained in the federal special revenue fund to the department of natural resources and conservation to award a grant to a public or private entity to provide technical assistance to local government entities for the purpose of identifying energy conservation measures. The grant must be approved pursuant to 10 CFR 465.8.

(7) There is appropriated \$234,916 from the diamond shamrock payment contained in the federal special revenue fund to the department of natural resources and conservation to administer the programs authorized by [this act].

(8) There is appropriated \$87,000 from the stripper well payment and \$124,000 from the Amoco payment contained in the federal special revenue fund to the department of highways to replace energy inefficient mercury highway lights east of the continental divide with energy efficient low-pressure sodium vapor lights.

(9) There is appropriated from the stripper well payment contained in the federal special revenue fund to the department of natural resources and conservation \$139,042 for collection and distribution of biological agents to control leafy spurge and spotted knapweed.

(10) Interest earned on money transferred or appropriated in [this act] must be deposited in the account from which it was earned. This money is appropriated to the same program for which the principal was appropriated.

(11) The appropriations made in this section are biennial appropriations.

Section 10. Appropriation. There is appropriated from the stripper well payment contained in the federal special revenue fund to the department of commerce \$65,000 for repair of the roof at West Yellowstone airport. The department of commerce is directed to take the steps necessary to transfer ownership of the West Yellowstone airport to the city of West Yellowstone or another local public authority willing to own and operate the airport. If no public entity is willing to take over the airport, the department shall present a plan to the 51st legislature to close the airport.

Section 11. Proration. If overcharge money and interest are insufficient to meet any amount transferred or appropriated in [this act], the amount transferred or appropriated for each fund is reduced by the same proportion as the amount of the deficiency bears to the total amount transferred or appropriated in [this act] from that fund.

Section 12. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations — definition — requisites for validity. (1) A statutory appropriation is an appropriation made by

permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations:

- (a) 2-9-202;
- (b) 2-17-105;
- (c) 2-18-812;
- (d) 10-3-203;
- (e) 10-3-312;
- (f) 10-3-314;
- (g) 10-4-301;
- (h) 13-37-304;
- (i) 15-31-702;
- (j) 15-36-112;
- (k) 15-70-101;
- (l) 16-1-404;
- (m) 16-1-410;
- (n) 16-1-411;
- (o) 17-3-212;
- (p) 17-5-404;
- (q) 17-5-424;
- (r) 17-5-804;
- (s) 19-8-504;
- (t) 19-9-702;
- (u) 19-9-1007;
- (v) 19-10-205;
- (w) 19-10-305;
- (x) 19-10-506;

(y) 19-11-512;

(z) 19-11-513;

(aa) 19-11-606;

(bb) 19-12-301;

(cc) 19-13-604;

(dd) 20-6-406;

(ee) 20-8-111;

(ff) 23-5-612;

(gg) 37-51-501;

(hh) 53-24-206;

(ii) 75-1-1101;

(jj) 75-7-305;

(kk) 80-2-103;

(ll) 80-2-228;

(mm) 90-3-301;

(nn) 90-3-302;

(oo) 90-15-103;

(pp) Sec. 13, HB 861, L. 1985; and

(qq) [section 3].

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for such payments."

Section 13. **Effective dates.** This act is effective July 1, 1987, except that section 5 and this section are effective upon passage and approval.

Approved April 24, 1987.